

1 fAndy C. Warshaw SBN 263880
2 Amanda G. Billyard SBN 256838
3 Rich Sturdevant SBN 269088
4 Financial Relief Law Center, APC
5 1200 Main St., Suite C
6 Irvine, CA 92614
7 Telephone: (714) 442-3319
8 Facsimile: (714) 361-5380
9 Email: awarshaw@bwlawcenter.com

10 Attorneys for Debtor in Possession

FILED & ENTERED

NOV 20 2023

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY bolte DEPUTY CLERK

11 UNITED STATES BANKRUPTCY COURT

12 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

13 In re

14 2nd CHANCE INVESTMENT GROUP, LLC

15 Debtor in Possession.

16 Case No. 8:22-bk-12142-SC

17 Chapter 11

18 **ORDER GRANTING DEBTOR IN**

19 **POSSESSION'S MOTION FOR ORDER:**

20 **(1) AUTHORIZING SALE OF ESTATE'S
21 RIGHT, TITLE AND INTEREST IN REAL
PROPERTY; (2) APPROVING OVERBID
PROCEDURE; (3) APPROVING PAYMENT
OF COMMISSIONS; 4) FINDING
PURCHASERS ARE GOOD FAITH
PURCHASERS; AND (5) WAIVING STAY
UNDER RULE 6004(h)**

22 [37472 Yorkshire Drive, Palmdale, CA
23 93550; APN: 3019-047-055]

24 Date: November 8, 2023

25 Time: 1:30 p.m.

26 Place: Courtroom 5C
27 411 West Fourth Street
28 Santa Ana, CA 92701

29 The *Debtor in Possession's Motion for Order: 1) Authorizing Sale of Estate's Right, Title*
30 *and Interest in Real Property; 2) Approving Overbid Procedure; 3) Approving Payment of*
31 *Commissions; 4) Finding Purchasers are Good Faith Purchasers; and 5) Waving Stay Under Rule*
32 *6004(h)* (the "Motion") (Doc# 271) came on regularly for hearing on November 8, 2023, at 1:30
33 p.m. before this Court, the Honorable Scott C. Clarkson, United States Bankruptcy Judge presiding.
34 2nd Chance Investment Group, LLC ("Debtor") appeared through its bankruptcy counsel, Financial
35 Relief Law Center, APC, by Andy C. Warshaw. All other appearances were noted on the record.

1 Based on the Notice of Motion and Motion, the Memorandum of Points and Authorities,
2 the declarations submitted by the Debtor in support of the Motion, the documents, and pleadings
3 on file herein, all judicially noticeable facts, and after finding that the notice of the Motion was
4 proper, and for good cause appearing,

5 **IT IS HEREBY ORDERED** as follows:

- 6 1. The Motion is Granted;
- 7 2. The proposed overbidding procedures are approved;
- 8 3. Cobra 28 No. 8, LP, a California limited partnership (“Cobra”) entered into a purchase
9 agreement for 37472 Yorkshire Drive, Palmdale, CA 93550; APN: 3019-047-055
10 (“Property”) subject to overbid at the hearing held on November 8, 2023, at 1:30 pm in
11 Courtroom 5C located at 411 West Fourth Street, Santa Ana, CA 92701 (“Hearing”).
- 12 4. Cobra was overbid at the Hearing by New Home Art LLC and/or nominee (“Buyer”)
13 for a purchase price of \$390,000 for the Property. Cobra shall remain as a backup bidder
14 for \$385,000 to Buyer’s winning bid for \$390,000 to purchase the Property.
- 15 5. Cobra’s deposit shall be retained by the Debtor until escrow closes on the sale of the
16 Property to Buyer or nominee of the Buyer. Alternatively, should Cobra’s backup bid
17 transition to Cobra acquiring the Property, the Debtor is authorized to close escrow with
18 the backup bidder and apply Cobra’s deposit to the sale of the Property.
- 19 6. The Debtor is authorized to return the deposit of any proposed buyer or nominee that
20 does not close on the purchase of the Property.
- 21 7. The total broker’s commission is 6%. Payment is authorized on the broker’s
22 commissions totaling 6% and is authorized to be paid out of escrow with 3% to the
23 seller’s agent and 3% to the buyer’s agent.
- 24 8. The terms of the Purchase Agreement, a copy of which is attached to the Motion as
25 Exhibit 1, are approved and the Debtor is authorized to sell all the Estate’s right, title
26 and interest in the Property to Buyer for the sum of \$390,000 on the terms set forth in
27 the Motion.
- 28 9. The sale of the Property is free and clear of the Notice of Pendency of Action

1 CVR12204640, Superior Court of California, County of Riverside (the “Lis Pendens”).

2 Filed by Hiten Ram Bhatka, an individual; ASB Ventures LLC; Precision Realty Fund,
3 LLC.

4 10. The sale of the Property is “as is”, “where is”, “with all faults” and without warranty or
5 recourse, but free and clear of any and all liens, claims, and interests, together with all
6 improvements, as well as all easements and appurtenances, pursuant to 11 U.S.C.
7 §363(b) and (f), free and clear of any and all liens, claims and interests including,
8 without limitation:

9 a. The Selene Finance lien recorded on August 24, 2006 as Instrument No. 2006-
10 1892289 as official records (assigned by instrument no. 2019-1197333).

11 b. The County of Los Angeles CaliforniaFIRST Program lien recorded on
12 November 3, 2016 as Instrument No. 2016-1370937 in Los Angeles County,
13 California.

14 c. The County of Los Angeles Energy Program lien recorded on January 31, 2017
15 as Instrument No. 2017-123524 in Los Angeles County, California.

16 d. The Los Angeles County Tax Collector lien for unsecured property taxes
17 recorded on March 10, 2023 as Instrument No. 20230153411 in Los Angeles
18 County, California.

19 e. The Los Angeles County Tax Collector lien for unsecured property tax recorded
20 on July 25, 2023, as Instrument No. 20230486163 in Los Angeles County,
21 California.

22 f. The Los Angeles County Tax Collector lien for unsecured property taxes
23 recorded on August 15, 2023 as Instrument No. 20230486163 in Los Angeles
24 County, California.

25 g. The Los Angeles County Tax Collector lien for unsecured property taxes
26 recorded on July 25, 2023 as Instrument No. 20230536796 in Los Angeles
27 County, California.

28 11. The Debtor is authorized and empowered to execute and deliver any and all documents

1 reasonably necessary to implement the terms of the sale. The Debtor is authorized to
2 pay all amounts provided for in the estimated closing statement listed in Exhibit 7 of the
3 Motion.

4 12. The Debtor is authorized to pay, through escrow, from the proceeds of the sale of
5 the Property and without further order of the Court, the Selene Finance Lien, the County
6 of Los Angeles CaliforniaFIRST Program lien, the County of Los Angeles Energy
7 Program lien, all Los Angeles County Tax Collector liens, real property taxes and
8 assessments prorated as of the close of escrow, the brokers' commissions, and any
9 escrow fees, title insurance premiums, and other ordinary and typical closing costs and
10 expenses payable by the Debtor pursuant to the Purchase Agreement or in accordance
11 with local custom, with the remaining payable to Debtor;

12 13. Selene Finance shall be permitted to submit an updated payoff demand to escrow so that
13 Selene Finance's lien is paid in full at closing;

14 14. In the event the sale of the Property does not close, the lienholders shall retain their
15 liens for the full amount due;

16 15. The Court made a record with Ara Ohan at the hearing who is listed as the agent for
17 New Home Art LLC finding that the Buyer is a "good faith purchaser" pursuant to 11
18 U.S.C. §363(m);

19 16. To the extent there is any tax liability to the Estate from the sale, the Debtor, at its
20 discretion, is authorized to pay such taxes from the net proceeds;

21 17. The overbid procedures outlined in the Motion are approved;

22 18. The Debtor is authorized to take any and all necessary actions to consummate the sale
23 of the Property;

24 19. Any lodgment period pertaining to the Order is waived;

25 20. The 14-day stay prescribed in Rule 6004(h) of the Federal Rules of Bankruptcy
26 Procedure is waived; and

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1 21. The Court shall retain jurisdiction to adjudicate any dispute that may arise in connection
2 with the sale of the Property.

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Date: November 20, 2023


Scott C. Clarkson
United States Bankruptcy Judge